

Message Text

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ORIGIN EUR-12

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FM SECSTATE WASHDC
TO AMEMBASSY NICOSIA PRIORITY
INFO AMEMBASSY ANKARA

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E.O. 11652: N/A

TAGS: EAID, CY, TU

SUBJECT: AID TO CYPRUS

1. TURKISH AMBASSADOR ESENBEL DURING CALL ON ASSISTANT SECRETARY VEST FEB. 28 ASKED THAT THE TURKISH SECTOR ON CYPRUS RECEIVE A MORE EQUITABLE SHARE OF TOTAL U.S. AID. ESENBEL STATED THAT AID FIGURES IN FOLLOWING MEMORANDUM WHICH HE LEFT WITH VEST HAD BEEN OBTAINED FROM EMBASSY NICOSIA.

2. BEGIN TEXT: AID TO CYPRUS: THE AMOUNT OF FOREIGN AID FLOWING INTO CYPRUS AS GRANTS OR CREDITS IS ESTIMATED TO HAVE REACHED DOLS 700 MILLION SINCE SEPTEMBER 1974. OF THIS AID DOLS 650 MILLION IS FROM WESTERN COUNTRIES. THE UNITED STATES HAS CONTRIBUTED AROUND DOLS 170 MILLION IN
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KIND OR CASH MAINLY THROUGH UNHCR.

THE SHARE OF THE TURKISH FEDERATED STATE OF CYPRUS IN THIS TOTAL OF DOLS 700 MILLION AMOUNTS TO A MERE DOLS 19 MILLION, DOLS 15 (SIC) OF WHICH IS FROM THE U.S. IN THE FORM OF CYPRUS POUNDS (75 PERCENT) OR COMMODITIES.

THE FIGURES CLEARLY INDICATE THAT, DESPITE AN AMOUNT OF FOREIGN AID THAT REPRESENTS DOLS 1000 PER CAPITA, ITS DISTRIBUTION HAS BEEN EFFECTED IN A GROSSLY NEGLIGENT MANNER

FOR THE TURKISH CYPRIOT SIDE. IT IS COMMON KNOWLEDGE THAT THE NUMBER OF DISPLACED PERSONS IN SOUTHERN CYPRUS WHO ARE LIVING IN TENTS IS NOW NOT MORE THAN 100.

THE REVIEW OF THE DISTRIBUTION OF THE U.S. AID IN CYPRUS AND THE HELP OF THE STATE DEPARTMENT IN CHANNELING THE OTHER INTERNATIONAL AID IN A MORE BALANCED MANNER WOULD BE HIGHLY APPRECIATED. END TEXT.

3. WE ASSUME DOLS 170 MILLION FIGURE INCLUDES (IN ADDITION TO U.S. ASSISTANCE THROUGH UNHCR) UNFICYP CONTRIBUTIONS, AND PERHAPS OTHER MULTILATERAL LENDING (IBRD). DEPTOFF POINTED OUT U.S. AID TO CYPRUS THROUGH UNHCR HAD ALLOWED APPROXIMATELY 20 PERCENT TO FLOW TO TURKISH-CYPRIOT COMMUNITY.

4. ESENBEL CLAIMED THAT MAGNITUDE OF AID PROGRAM TO GOC WORKED AGAINST A POLITICAL SOLUTION FOR CYPRUS BECAUSE THE GREEK CYPRIOT COMMUNITY WAS PROSPERING ECONOMICALLY. VEST REPLIED THAT WE DID NOT SHARE THIS VIEW; WE WERE CONVINCED THAT THE GREEK CYPRIOTS DO NOT WANT A PERMANENTLY DIVIDED ISLAND AND REALIZE THAT THE LONGER THE PRESENT SITUATION LIMITED OFFICIAL USE

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CONTINUES, THE MORE LIKELY THIS POSSIBILITY BECOMES.

5. VEST OBSERVED THAT IN THE CONTEXT OF A CYPRUS SETTLEMENT, WE WOULD AGAIN LOOK AT THE WHOLE AID SITUATION ON THE ISLAND. IN THE POST-SETTLEMENT PERIOD IT MIGHT BE EASIER TO HELP THE TURKISH COMMUNITY. EUR/SE DIRECTOR EWING RECALLED THAT COUNSELOR NIMETZ HAD MADE THIS POINT TO MFA SECGEN ELEKDAG IN ANKARA DURING FEB. 22-23 TALKS. NIMETZ HAD TESTIFIED IN APRIL 1977 BEFORE HIRC EUROPE SUBCOMMITTEE THAT "IN EVENT OF SETTLEMENT IN CYPRUS AND RECONSTRUCTION OF THE COUNTRY, WE WOULD OBVIOUSLY REASSESS THE AID QUESTION." CHRISTOPHER

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